

I am pleased to report that Salem Five Bancorp continued to experience robust growth across the organization in 2025, including \$694 million in asset growth to \$8.5 billion. The Bank had \$73.5 million in consolidated net income, compared to net income of \$53.9 million for fiscal year 2024, a 36.4% increase year-over-year.

The Bank's performance is particularly noteworthy in a year of historic external pressures. While the broader financial landscape was defined by a complex rate environment, geopolitical volatility, a 43-day federal government shutdown, and a softening labor market, Salem Five remained resilient and stable. Overall growth was achieved by the collective strength of the Bank and all its subsidiaries, each of which exceeded its budgeted income goals for the year. In fact, Salem Five's earnings were the highest on record, and the earnings quality was excellent. Our ability to outpace the general economy during such turbulence underscores the resilience of our diversified business model, our mutuality, and our commitment to a long-term strategic vision.

The Bank experienced solid loan growth in 2025. Loans outstanding totaled \$6.6 billion, an increase of \$640 million over the prior year. For the year, the mortgage, commercial, aviation, Business Banking and consumer loan portfolios increased by \$231 million, \$203 million, \$115 million, \$49 million, and \$42 million, respectively. The overall loan portfolio remained solid with the total delinquency rate of 0.46% at year-end. The reserve for loan losses currently stands at \$79 million or 1.20% of total loans outstanding.

Total deposits grew by \$324 million to end the year at \$5.9 billion. While the Federal Reserve's rate cuts provided some relief, an industry-wide deposit growth challenge persists. Despite these headwinds Salem Five continues to fair competitively well to retain and grow its deposit base across key bank channels, maintaining an active and disciplined focus on funding the Bank's operations. The Bank's capital position remains solid with total capital of \$964 million and represents 11.29% of total assets.

During 2025, the Bank added key lending resources and deposit sourcing personnel to achieve strategic goals and expand. These investments were essential to position the Bank as the leading independent financial institution in the state. Additionally, the Bank's three core operating subsidiaries, the Mortgage Company, Salem Five Insurance and Salem Five Wealth Management and Trust continue to mature and are critical components in the Bank's success. Meanwhile, the Retail division continued its commitment to providing outstanding service to customers and as a pillar of the Bank's ongoing community service efforts.

In September 2025, Salem Five completed the acquisition of AirFleet Capital, a leading aviation finance firm and long-standing partner. This transaction expands the Bank's aviation financing platform, adds experienced talent and dealer relationships, enhances lending opportunities, and provides an additional source of non-interest income. Integration efforts are fully underway, with achieved benefits including increased market share, operational efficiency, and improved profitability.



Ping Yin Chai, President & CEO

With a good handle on overall expenses, the Bank continued to make the appropriate strategic investments — not only in personnel, but in technology and new products and services. These investments aimed to improve the overall customer experience, enhance fraud protection and increase risk mitigation.

Last year, giving back was more than a priority, it was a source of immense pride for everyone at Salem Five. Through the Salem Five Charitable Foundation, we continued to provide critical support to over 350 non-profits that keep our neighborhoods strong, with donations totaling more than \$1 million. Our traditions also continue to grow; this year marked our fifth year partnering with The Salvation Army for our annual toy drive, bringing holiday joy to families across all our market areas. Beyond our charitable work, we remain a visible part of our fans' lives through our multi-year agreement with NESN. By powering the Salem Five Studio and sponsoring every 5<sup>th</sup> inning of Red Sox broadcasts, we reinforce our position as a major player in the industry while celebrating the local teams our customers love.

Salem Five's history is defined by strength and resilience, and our outlook for the future is no different. As a mutual bank unburdened by stockholder demands, we can prioritize the evolving needs of our customers and communities. Despite ongoing economic and geopolitical uncertainty, we remain committed to an ongoing strategy of excellence, hiring the best talent, advancing our technology, and maintaining the strong capital necessary to navigate any environment. Our more than 700 dedicated employees stand ready to serve our customers and communities' financial needs, ensuring Salem Five remains a cornerstone of the region for the long haul.

A handwritten signature in black ink that reads "Ping Yin Chai". The signature is fluid and cursive, written in a professional style.

Ping Yin Chai,  
President and CEO

# 2025 FINANCIAL HIGHLIGHTS

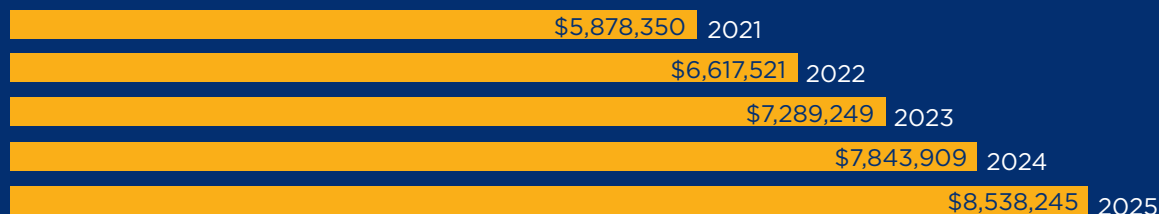
(Amounts in Thousands)

	2025	2024	2023	2022	2021
<b>SELECT BALANCE SHEET DATA</b>					
Total Assets	\$8,538,245	\$7,843,909	\$7,289,249	\$6,617,521	\$5,878,350
Securities	1,594,189	1,587,296	1,601,941	1,584,320	1,514,578
Residential first mortgage loans	2,323,681	2,092,437	1,824,037	1,585,983	1,331,684
Consumer loans	304,471	262,512	224,503	204,493	167,084
Commercial loans and leases	3,972,739	3,605,444	3,345,795	2,973,620	2,665,608
Allowance for credit losses	74,004	67,793	63,405	62,489	57,824
Total loans and leases, net	6,521,887	5,892,600	5,330,930	4,701,607	4,106,552
Total deposits	5,939,213	5,615,053	5,115,993	4,949,127	4,438,928
Borrowed funds	1,524,589	1,220,645	1,231,909	760,754	638,803
Total capital <sup>(1)</sup>	957,630	884,150	830,260	771,266	715,885
<sup>(1)</sup> Before accumulated and other comprehensive income					
Tier 1 Leverage Ratio	10.29%	10.77%	10.75%	11.14%	11.41%
Total Capital Ratio	14.31%	14.86%	14.99%	15.34%	16.11%

## SELECT OPERATING DATA

Net interest income	\$192,220	\$161,726	\$170,209	\$175,035	\$136,613
Provision for credit losses	11,330	5,400	4,800	7,200	6,200
Non-interest income	64,054	56,025	52,606	34,791	76,257
Non-interest expense	146,970	140,284	133,008	128,040	118,796
Income before taxes	97,974	72,067	85,007	74,586	87,874
Net income	73,480	53,890	63,330	55,381	64,587

### TOTAL ASSETS (000s)



### TOTAL DEPOSITS (000s)



### TOTAL CAPITAL (000s)

